

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6711

BILL NUMBER: SB 322

NOTE PREPARED: Dec 30, 2012

BILL AMENDED:

SUBJECT: Library Boards.

FIRST AUTHOR: Sen. Leising

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that a public library outside Marion County, the library board of which is comprised of a majority of officials who are not elected, is subject to binding review and approval of the public library's budget by a county, city, or town fiscal body, as appropriate. (Current law requires binding review and approval only if the library's budget is increasing faster than the assessed value growth quotient (AVGQ).)

The bill also provides that if a public library that is required to submit the library's budget for binding review and approval wants to make an additional appropriation, the additional appropriation must first be approved by a city, town, or county fiscal body, as appropriate under the binding review and approval statute. (Current law requires that the additional appropriation must be approved only if the additional appropriation would result in the budget for the library for that year increasing, as compared to the previous year, by a percentage that is greater than the AVGQ.)

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Summary:* Based on the library's request and the actions of the reviewing

body, a library's spending authority (budget plus any additional appropriations) and its property tax levy could be unaffected or could be reduced under this bill.

Background: Under current law, except for libraries, taxing units whose governing bodies are appointed rather than elected must submit their proposed budgets and tax levies to the fiscal body of the city, town, or county. Library budgets and levies are subject to review only if the proposed budget increase exceeds the AVGQ (currently about 2.8%). Also, additional appropriations for libraries are subject to review only if the additional appropriation would result in a total budget increase that exceeds the AVGQ.

Under this bill, the budget and levy review for libraries would be the same as for other taxing units with appointed governing bodies. The reviewing body may reduce or modify, but not increase, the budget and levy. In addition, the bill would require all additional appropriations for libraries to be adopted by ordinance of the city, town, or county, regardless of the amount of the request.

State Agencies Affected:

Local Agencies Affected: Libraries; County and municipal fiscal bodies.

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.